Regulatory framework for SSIs

4115. SHRI AMIR ALAM KHAN: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether Government are considering to formulate a regulatory framework for Small Scale Industries in view of fierce competitions;

(b) if so, the details thereof;

(c) whether Government propose to implement the single window clearance system to establish Small Scale Industries;

(d) if so, the details thereof; and

(e) whether Government also propose to raise the financial limit of those units from Rs. 5 crore so that they may continue to be covered under the Small Scale Industries?

THE MINISTER OF SMALL SCALE INDUSTRIES (SHRI MAHAVIR PRASAD): (a) and (b) To facilitate the development of micro, small and medium enterprises (MSMEs), and to enhance their competitiveness, the Government has enacted the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006, which has come into force with effect from 2nd October, 2006. The MSMED Act, 2006 is facilitatory in nature, rather than being regulatory. The Act defines micro, small and medium enterprises, thus changing the concept from industry to enterprise. In addition, the Act provides, *inter alia,* for a National Board for Micro, Small and Medium Enterprises as a statutory consultative mechanism at the national level, notification of schemes/programmes for SMEs, preference in Government procurements to products and services of the micro and small enterprises, more effective mechanisms for mitigating the problems of delayed payments to micro and small enterprises and simplification of the process of closure of business by all three categories of enterprises.

(c) and (d) The Government has already notified the format of the Entrepreneurs Memorandum (EM) and the procedure of its filing under the powers vested in it by the MSMED Act, 2006. Although the grant of

clearances, including, *inter-alia*, the municipal clearances, the environmental clearances and other regulatory legislations, primarily vest in the State Governments, yet the Central Government has been emphasizing the importance of simplified methodology of clearance like the Single Window Clearance system for the establishment of micro, small and medium enterprises.

(e) A new class of manufacturing medium enterprises with investment in plant and machinery between Rs. 5 crore and Rs. 10 crore has been notified as per sub-section (1) of section 7 of MSMED Act, 2006.

Recommendation of Kelkar Committee

4116. SHRI VIJAY J. DARDA: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether under the Kelkar Committee which has recommended that a scheme should be proposed by the Commissioner of Small Scale Industries in collaboration with the Department of Defence Production, to increase awareness among SM and provide institutional support in matter such as tendering and contracting for defence supplies;

(b) whether the Ministries of Defence and Small Scale Industry are working on a proposal that would allow small and medium enterprises to become defence equipment manufacturers; and

(c) if so, by what time final decision in this regard is likely to be taken?

THE MINISTER OF SMALL SCALE INDUSTRIES (SHRI MAHAVIR PRASAD): (a) Yes, Sir.

(b) No, Sir.

(c) Task Force constituted on (a) above is likely to submit its recommendations within six months.